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ABSTRACT

Five hundred and thirteen ninth grade students in San Diego, California, used the junior high economics textbook "Our Economy: How It Works" (Addison-Wesley, 1980) in a semester-long course and then were evaluated. The text uses case studies about the manufacture of familiar products, financial institutions, and government to make students aware of how our economic system works and their roles as consumers and producers. Pre- and posttests of the students' economic literacy using the Joint Council on Economics Education's standardized test were conducted (a sample of the test is included in this report). The average student could answer correctly only 11 of the 40 questions on the pretest before studying "Our Economy." This average score was lower than the scores of 89% of ninth graders who took the test nationally in 1974. After studying the text, the students' scores improved sharply. The average student was able to answer correctly 28 of the 40 questions in the test. This was higher than the scores of 93% of the ninth grade students who took the test nationally. Also, students and teachers were highly enthusiastic about the book. (RM)

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OUR ECONOMY: HOW IT WORKS

SAN DIEGO RESULTS (1981)

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May, 1982

SP 014 342

FOUNDATION FOR TEACHING ECONOMICS

Suite 4600, 555 California Street
San Francisco, California 94104

SAN DIEGO CITY SCHOOLS

EDUCATION CENTER • 4100 Normal St., San Diego, CA 92103 • (714) 293-8418

EUGENE F. BRUCKER
Acting Superintendent

May 7, 1982

Mr. Charles A. Foster, Jr.
President
Foundation for Teaching Economics
555 California Street, Suite 4600
San Francisco, CA 94140

Dear Mr. Foster:

On August 6, 1982, the district sent you a letter indicating our interest in the possibility of obtaining additional copies of *Our Economy: How It Works*, a book which we had been using in limited numbers for several years previously.

In response to our request you were kind enough to arrange through Wells Fargo Bank for a gift of an additional 760 copies of the book so that we might equip all of our classes in the ninth- tenth-grade elective course, You and Your Money 1.

On behalf of the district we would like to thank you for your efforts in obtaining additional copies of this fine educational tool for our use. On the basis of trials and evaluation several years ago, our teachers and curriculum staff had determined that this was the best book of its kind and the ideal tool for our You and Your Money 1 classes. Financial constraints had prevented acquisition of additional copies with district resources, so your assistance met a major need.

You may recall that in accepting the books we agreed to conduct a pre- and posttesting of economic literacy using the Joint Council on Economic Education's standardized test for the junior high school level. We are pleased to share with you that the students improved from scoring at the 23rd percentile on the pretest to scoring at the 93rd percentile on the posttest. This certainly indicates that when used by our teachers in our You and Your Money 1 curriculum, the book provides a fine tool for the building of economic literacy. In addition to the great improvement in the test scores, both students and teachers in the program have been highly enthusiastic about the book and its use in our program.

As our district looks forward to a further improvement and expansion of economic education at the secondary level, we will look to *Our Economy: How It Works* as a major tool in assisting with this growth.

Sincerely,

Eugene F. Brucker
Acting Superintendent

EFB:vjh

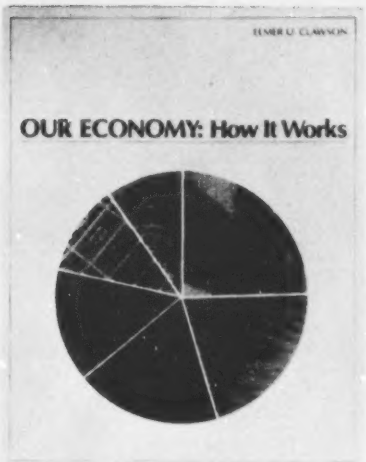
cc: Board of Education
Prokop

OUR ECONOMY: HOW IT WORKS
SAN DIEGO RESULTS

Introduction

"A widespread understanding of the operation and problems of the United States economic system is essential if Americans are to meet their responsibilities as citizens, voters, and participants in a basically private enterprise economy."

U. S. Senate Resolution 316,
89th Congress



Our Economy: How It Works uses case studies about the manufacture of familiar products—jeans, bread, newspaper and gasoline—and case studies on financial institutions and government to illustrate economic decision-making.

Our Economy: How It Works was written by Dr. Elmer U. Clawson of the Center for the Development of Economics Education, School of Education, University of the Pacific. Published by Addison-Wesley Publishing Company, it was developed with a grant from the Foundation for Teaching Economics. It was designed to help improve student understanding of the operation of the United States economy. *Our Economy* is an innovative text edited to the reading level of an eighth grade student. The text uses case studies about the manufacture of familiar products—jeans, bread, newspaper and gasoline—and case studies on financial institutions and government to illustrate economic decision-making. The text also uses many activities to reinforce student learning. During its three years of development, the text was field-tested with almost 3,200 students in 20 states and revised several times. The results indicated that *Our Economy* successfully increased student understanding of economics.

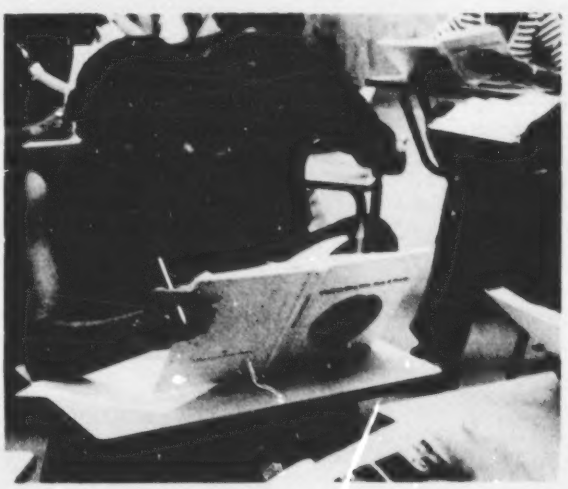
After the text was published, a series of pilot-tests was conducted to further demonstrate the text's ability to teach economics in a variety of curriculum settings. The San Diego City Schools participated in such a program. This report summarizes the results of the classroom use of *Our Economy* in the San Diego City Schools.

Background Information

The San Diego City Schools is a unified school district serving approximately 111,000 elementary and secondary students. The student population is racially mixed, and individual schools are integrated. Fifty-two percent of the students are White, 18.6 percent Hispanic, 15.5 percent Black, 13.5 percent Asian, and .3 percent Alaskan/Indian. The District has 18 junior high schools (grades 7-9), 14 senior high schools (grades 10-12) and one junior and senior high school (grades 8-12).

In the recent past, the Curriculum Department revised the social studies curriculum and identified economics as a major strand to be emphasized from kindergarten through twelfth grade.

In the search for suitable textual material to implement economics instruction at the junior high school level, the District staff evaluated *Our Economy* and decided that it might be useful as a textbook for the ninth grade class "You and Your Money." *Our Economy* was used on a trial basis in some junior high school classes in spring, 1980. San Diego Federal Savings and Loan Association generously donated the funds to purchase five class sets for this test.



"I thought economics was like algebra—the name scared me. After reading *Our Economy*, I now know that economics can be interesting." Ninth grade San Diego student.

After the trial, Jack A. Gaffney, San Diego Curriculum Consultant for Social Studies K-12 reported, "I was pleased to find growth and learning in all areas, even though some of the students using the material were in the lower percentiles. It (*Our Economy*) really is oriented to the junior high student!" Mr. Gaffney also wrote: "Wonder of wonders! Students are apparently expressing a greater interest in subjects related to economics and the free enterprise system. More and more of our secondary students are electing to take courses oriented to various aspects of economics."

The Expansion of the Program

The success of this test prompted District officials to expand economics education. In 1981, Yvonne W. Larsen, President of the Board of Education, and Thomas L. Goodman, Superintendent of San Diego City Schools, expressed great interest in this expansion. Budget problems, however, precluded the purchase of additional copies of the text with District funds. Fortunately, the District was able to appeal successfully to the private sector for help. Wells Fargo Foundation agreed to donate the funds needed to purchase 760 additional copies of *Our Economy* for use in the fall of 1981. Wilson Riles, California State Superintendent of Public Instruction, commented that this was one of the first donations of learning materials by industry in which the District, not the donor, selected the text.
To provide a background on how the textbook should be used, the teachers who were to use the text were invited to attend a one-day workshop. This covered the economic content of *Our Economy* and its design and use.

Wells Fargo Bank Foundation funded the purchase of 760 copies of *Our Economy* for use in San Diego schools. Reviewing one of the books are (from left) Charles A. Foster, President of the Foundation for Teaching Economics; Harvey Prokop, District Social Studies Curriculum Specialist; Robert Klemme, Regional Vice President, Wells Fargo; and Dr. Wilson Riles, State Superintendent of Public Instruction.

The Use of *Our Economy* in the San Diego Junior High Schools

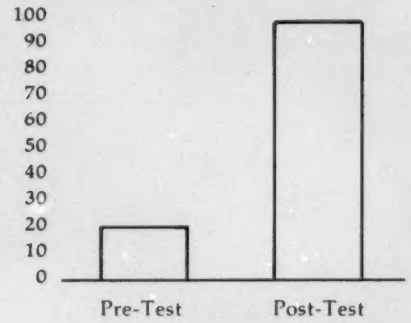
In addition to the use in other grades, *Our Economy* was used in a 9th grade elective course, "You and Your Money." Five hundred and thirteen students took this semester-long course which was designed to make students aware of how our economics system works and their roles as consumers and producers. The 513 students who took this course represented a demographic cross section of the San Diego student population. The students came from a variety of socio-economic backgrounds including Whites, Hispanics, Blacks and Asians. Almost an equal number of boys and girls took the course.

The efficacy of the text as an educational tool was confirmed by testing the economic understanding of the students. The *Junior High School Test of Economics*, developed by the Joint Council on Economic Education and given nationally in 1975 to 12,000 students, was used to pre- and post-test the San Diego students. The 40-question test, a sample of which is on page 5, helps teachers evaluate and improve the effectiveness of their efforts to teach economics. Administered before and after students study economics, the test measures the effect of a given curriculum, textbook and teaching strategy on the economic understanding of students.

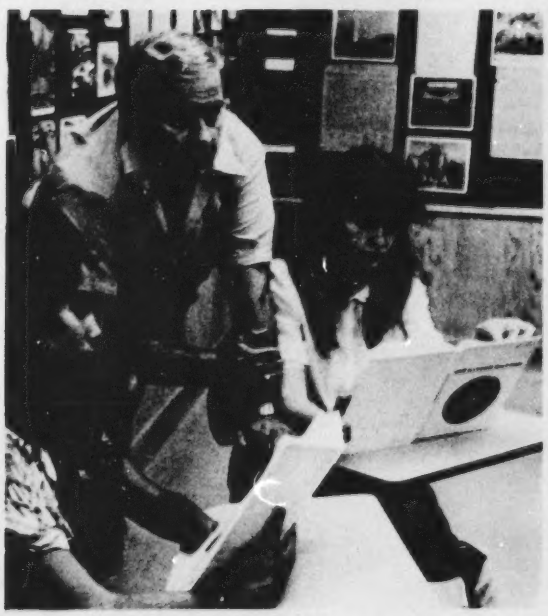
The average ninth grade junior high student in San Diego could answer correctly only 11 of the 40 questions before studying *Our Economy*. This average score was lower than the scores of 89% of the ninth grade students who took the test nationally in 1974.

After studying the text, the students' scores improved sharply. The average student was able to answer correctly 28 of the 40 questions in the test. This was higher than the scores of 93% of the ninth grade students who took the test nationally when it was developed.

Average Test Score Of Ninth Grade Students
Compared To 1974 National Testing Results
On Junior High School Test Of Economics



Teachers' and Students' Comments about *Our Economy*



One teacher commented, "*Our Economy* is by far the best book I have ever used."

Teachers were very pleased with *Our Economy*. One teacher with over 20 years' experience said, "*Our Economy* is by far the best book I have ever used." Another reported that "*Our Economy* proves that learning can be fund." Teachers agreed that *Our Economy* increased student interest because it helped students to relate to economics. They also agreed that it enriched and strengthened the "You and Your Money" course.

Nine of the 12 teachers using the text had some training in economics instruction. All but one had taught "You and Your Money" in earlier years. Most teachers completed seven or eight chapters. The most popular chapters were Chapter 1, "Understanding Our Economic System," Chapter 2, "From Canvas to Cut-Offs: The Jeans Story," and Chapter 6, "Money and Banking." One teacher commented that the activity "How Banks Affect the Money Supply" was the best explanation he had ever seen on that topic.

Students also liked *Our Economy*. They reported that the book was easy to understand and fun to read. "I thought economics was like algebra," one student commented, "the name scared me. After reading *Our Economy*, I now know that economics can be interesting." A class at Bell Junior High School rated *Our Economy* as a "very good" text. It increased their understanding of economics and encouraged them to think further about economic topics.

Students liked the case study approach. "From Canvas to Cut-offs: The Jeans Story" was the most popular among students. The illustrations also were popular. Students said they made the reading material come to life. "The pictures and diagrams helped me understand what I was reading."

Our Economy made some students aware of a variety of job opportunities. "Seeing people at work made me think about my future job plans," commented one girl. A ninth grade boy said he developed an interest in advertising as a career possibility from studying *Our Economy*.

The case studies typically provided a take-off point for further discussion. Since the case studies were tied to real life, teachers found them ideal to teach from. Teachers reported that by using the case studies and a variety of activities from the text and teacher's guide, student interest remained high.

Judging from both student and teacher reactions, *Our Economy* worked in San Diego!

Summary

The San Diego experience is a case study of how school districts and the business community can work together to provide a quality educational program. Through the cooperative effort of the School District, the San Diego Federal Savings and Loan Association and the Wells Fargo Foundation, children in the San Diego city schools made impressive gains in economic understanding in the fall of 1981. San Diego school officials are planning to expand economic instruction further in view of the excellent results achieved.

The highly successful San Diego experience provides a model for other school districts and businesses which are concerned about improving economic literacy among the students in their communities. The experience further illustrates that high quality instructional materials can find a place in the school curriculum even during difficult budgetary times.

Bank Donates 760 Textbooks to S.D. Schools

Wells Fargo Bank, in what San Diego school officials hope will become a growing trend, Tuesday donated 760 copies of a new economics textbook for use by ninth- and tenth-graders in a course called "You and Your Money."

State Supt. of Public Instruction Wilson Riles was present to applaud the bank's donation, and said the financially-strapped educational system will watch closely to see if private industry can continue to be tapped for learning materials in the future.

The 760 copies of "Our Economy: How it Works" was, district officials said, one of the first private donations of learning materials in which the district, rather than the donor, chose the texts.

Curriculum specialist Harvey Prokop said the books, worth about $8,000, will be used primarily by ninth-graders in all of the district's junior highs and by some tenth-graders as well.

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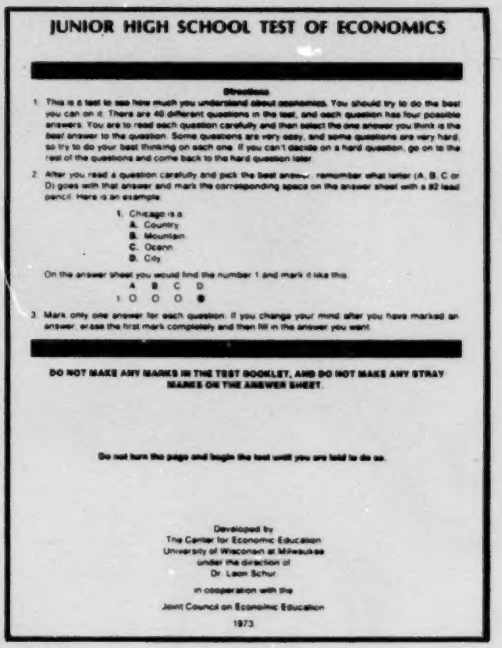

JUNIOR HIGH SCHOOL TEST OF ECONOMICS

[redacted]

Directions

1. This is a test to see how much you understand about economics. You should try to do the best you can on it. There are 46 different questions in the test, and each question has four possible answers. You are to read each question carefully and then select the one answer you think is the best answer to the question. Some questions are very easy, and some questions are very hard, so try to do your best thinking on each one. If you can't decide on a hard question, go on to the rest of the questions and come back to the hard question later.

2. After you read a question carefully and pick the best answer, remember what letter (A, B, C or D) goes with that answer and mark the corresponding space on the answer sheet with a #2 lead pencil. Here is an example:

1. Chicago is a
   A. Country
   B. Mountain
   C. Ocean
   D. City

On the answer sheet you would find the number 1 and mark it like this:

	A	B	C	D
1	O	O	O	●

3. Mark only one answer for each question. If you change your mind after you have marked an answer, erase the first mark completely and then fill in the answer you want.

[redacted]

DO NOT MAKE ANY MARKS IN THE TEST BOOKLET, AND DO NOT MAKE ANY STRAY MARKS ON THE ANSWER SHEET.

Do not turn this page and begin the test until you are told to do so.

Developed by
The Center for Economic Education
University of Wisconsin at Milwaukee
under the direction of
Dr. Leon Schur
in cooperation with the
Joint Council on Economic Education
1973

Sample Questions

5. The value of the United States dollar depends upon:

- **A.** How much gold and silver the government owns.
- **B.** How much it costs to manufacture money.
- **C.** What is happening to prices on the stock market.
- **D.** How much you can buy with a dollar.

9. Those who believe that people should be taxed according to their ability to pay would be most likely to favor:

- **A.** An excise tax.
- **B.** A general sales tax.
- **C.** A progressive income tax.
- **D.** A residential property tax.

15. According to the "law of supply and demand," if twice as many heads of lettuce were grown this year because of good weather as were grown last year:

- **A.** The price of lettuce would go up this year.
- **B.** The supply of lettuce would stay the same this year.
- **C.** The demand for lettuce would go down this year.
- **D.** The price of lettuce would go down this year.

36. Another company has started to make the same kind of bricks, at about the same cost and in the same area, as Mr. Jones' company. Mr. Jones' company will probably:

- **A.** Hire more workers.
- **B.** Raise the price of its bricks.
- **C.** Make more profit.
- **D.** Sell fewer bricks.